

Comptroller's Directive No. 2-04
Attachment 13
Fixed Asset Accounting and Control System (FAACS) Analysis

Purpose

To obtain information on capital assets recorded in fund 1500 on FAACS and CARS as follows:

- Provide a fluctuation analysis for each general ledger account recorded in Fund 1500. This analysis includes acquisition and disposal amounts and CIP reclassifications. (Part 1)
- Comparison between amounts recorded in CARS for program 998, Capital Outlay Projects, and the current year acquisitions recorded in FAACS for function 09 – Capital projects. (Part 2)
- Information regarding disposal of capital assets including whether any capital assets were traded in on new capital assets and revenue source codes used in CARS to record the proceeds from the sale / disposal of capital assets. (Part 2)
- Certification regarding inventory of capital assets. (Part 3)
- Items from FAACS with an acquisition method of D and / or funding source of 60 will be provided in a separate communication from the Department of Accounts. Agencies will need to provide confirmation that funding source 60 and / or acquisition method "D" correctly represents capital asset donations. These acquisitions will be recorded as a credit to revenue rather than a credit to expenses in the Government-wide Statement of Activities conversion.

This attachment is similar to prior year's Attachment 12.

Applicable agencies

Agencies that account for capital assets in Fund 1500 on FAACS and CARS.

Exemptions: The following agencies provide financial statement template or supplemental information and do not need to submit this attachment.

- Virginia Correctional Enterprises
- Department of Mines, Minerals and Energy
- Department of Environmental Quality
- Department of Medical Assistance Services
- Virginia Employment Commission
- Department of Transportation
- Woodrow Wilson Rehabilitation Center
- Virginia Information Technologies Agency

Due date

August 19, 2004

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Questions?

Please direct all questions regarding this attachment to:

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Submission requirements

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att13. For example, agency 151 should rename its Attachment 13.xls file as 151Att13.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

Copy APA via E-mail to APAFinRept@apa.state.va.us.

Do **not** submit paper copies of the excel attachment.

Attachment revisions

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

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Materiality

Explain variances that are greater than or equal to 10% of the difference between the fiscal year 2003 and fiscal year 2004 GLA amounts **AND** \$1,000,000.

**Completing
Part 1**

Part 1 contains the format for the fluctuation analysis. Information should be obtained from the FAC 736 / 767 reports.

Note: Round all amounts to the nearest dollar.

Step	Action
1	<p>Each agency should click on the down arrow in the “Control Agency” column. Scroll to the appropriate agency and click on it. Most agencies and control agencies are the same; however, there are some agencies (e.g. Mental Health, Corrections) that control numerous agencies.</p> <p>Performing this step will allow only the applicable agency or agencies to display. All other agencies will be hidden by Excel.</p>
2	<p>In the “Beginning Balance” column, record the amount on the FAC 736 / 767 reports as of July 1, 2003 for each category (i.e., Land, Buildings, Infrastructure, Equipment, Construction in Progress, and Accumulated Depreciation for Buildings, Infrastructure and Equipment). If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.</p>
3	<p>Record acquisitions of capital assets. Exclude the amount of Construction in Progress (CIP) that would be an addition to another category and a deduction from CIP. This activity will be reported in Step 5.</p> <p><u>Note:</u> The project number, description and amount of additions to CIP should be documented on the CIP Analysis tab.</p>
4	<p>Record the deductions of capital assets. These amounts should be recorded as a negative. Exclude the amount of Construction in Progress (CIP) that would be an addition to another category and a deduction from CIP. This amount will be reported in Step 5.</p>

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Completing Part 1 (continued)

Step	Action
5	Record the amount that represents CIP completed and added to another category. The CIP decrease should be recorded as a negative and the increase in the other category should be a positive. These amounts should net to zero. Note: Provide the FAACS ID number, tag numbers and descriptions of additions to capital assets (buildings / infrastructure) that is a result of decreases to CIP in the CIP Analysis tab . If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.
6	This column has formulas. Agree amounts to the FAC 736 / 767 reports as of June 30, 2004, for fund 1500 by GLA. For amounts that do not agree, recheck amounts and formulas.
7 – 9	Identify GLAs with material variances. Use the materiality level set in the materiality section on page 3 of these Instructions. Review changes for each asset category separately. Consider increases and decreases separately when analyzing the changes. To help, use the following guidelines: <ul style="list-style-type: none"> • <u>Land, Buildings, or Infrastructure (formerly Improvements)</u>: Identify the tract of land, building, or infrastructure for material changes. • <u>Construction in Progress (CIP)</u>: Identify the project code for material changes. • <u>Equipment</u>: Provide a general description of changes. Record “No” for immaterial variances.

Completing Part 2

This questionnaire is to analyze information for GASBS No. 34 and to document that ending balances on the fluctuation analysis (part 1) agree to FAACS.

Step	Action
1	If ending balances on the fluctuation analysis (part 1, step 6) do not agree to the FAC 736 / 767 reports as of June 30, 2004, explain the differences.

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Completing Part 2, continued

Step	Action
2	<ul style="list-style-type: none"> • Enter the amount recorded on CARS as expenditures for program code 998, Capital projects, for fiscal year ended June 30, 2004. • Enter the amount of current year acquisitions (included in part 1, step 3) recorded in FAACS for function 09 – Capital Projects. • Explain differences in these amounts. <p>Note: Under <u>GASBS No. 34</u> the Government-wide Statement of Activities (accrual basis) will not have a Capital Outlay expense line item. DOA will eliminate most of this activity by debiting capital assets and crediting current year capital outlay acquisitions per FAACS. The remaining amount will be reclassified to another expenditure line item. This information will identify the amount DOA will reclassify.</p>
3	<p>Sale / Disposal of Capital Assets:</p> <p>For the sale / disposal of capital assets, were there any sales / disposals of capital assets with a historical cost > \$50,000 for fiscal year 2004? If yes, provide asset and coding information required in the table provided.</p>
4	<p>Trade-ins:</p> <p>State whether there were any disposals of capital assets during fiscal year ended June 30, 2004, that were for trade-ins on new capital assets. If there are, complete the table. On the left side state the asset that was traded-in, and on the right state the corresponding asset that was purchased.</p>
5	<p>Construction in Progress:</p> <p>Does the agency have construction-in-progress projects with budgets of \$100,000 or more? If yes, provide asset and coding information required in the table provided.</p>

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Completing Part 3 This questionnaire is to analyze inventory and fully depreciated assets.

Action
Answer the following questions.
a) Has the agency completed an inventory of capital assets in fiscal 2004? If no, then state the year the last inventory was completed.
b) When will the next inventory of capital assets be completed?
Note: If the agency has a fully depreciated asset in FAACS that is no longer in use, reclassify it as a surplus item on the FAACS system.
Provide a description of the useful life methodology that has been developed in (c).
For certification purposes, type the name, title, phone number, and E-mail address of the agency representative who ensures such an inventory has been conducted.